

division of municipal development



Mitt Romney, Governor
Kerry Healey, Lieutenant Governor
Jane Wallis Gumble, Director

Massachusetts
Department of Housing &
Community Development
1 Congress Street
Boston, MA 02114

(617)727-7765
<http://www.mass.gov/dhcd>

Economic Development Industrial Corporation

Fact Sheet

An EDIC is a corporation established by a municipality for the public purpose of implementing local economic development projects in accordance with an economic development plan. Such projects are designed to decrease the unemployment rate and eliminate decadent and blighted open areas existing in municipalities. Projects implemented by EDICs are restricted to industrial and manufacturing development.

How it works

Any municipality that has been designated by the U.S. Department of Labor as a labor surplus area due to high unemployment is eligible to establish an EDIC under Chapter 121C.

A municipality must take a vote establishing the need for an EDIC. The vote should justify the need for an EDIC due to the existence of unemployment and to protect the municipality from the threat of future unemployment or lack of business opportunity. An EDIC is established by a municipality to attract new industry to the community, to expand existing industry through economic development projects to be financed and implemented by the EDIC and to otherwise alleviate existing unemployment and lack of business opportunity.

In a city with a Plan D or E form of Charter, an affirmative vote by the city council is necessary to establish an EDIC and approval by the city manager. In other cities, an affirmative vote by the city council and approval by the mayor is required to establish an EDIC. In towns, an affirmative vote at town meeting is necessary.

Certification:

Under Chapter 121C, towns must receive certification from DHCD in order to establish an EDIC; Cities do not need prior approval.

(continued)

Following an affirmative vote by town meeting to establish an EDIC, the board of selectmen or chief administrative official must submit the following documents to DHCD:

- a transmittal letter from the board of selectmen or other town official requesting certification;
- a certified copy of the town meeting vote establishing the need for an EDIC and authorizing its creation;
- evidence that there is significant demand for industrial land;
- evidence that the Redevelopment Authority, if one exists, is unable to assemble industrial lands;
- Department of Labor statistics which verify that the town is in an area of substantial unemployment;
- documentation showing that the economic development target area in the municipality is decadent, blighted open, or substandard as defined by Chapter 121B, Section 1, is zoned for industrial or manufacturing uses and contains no more than forty-five dwelling units.
- copy of a plan showing the economic development area which is decadent, substandard or blighted open.
- a list of seven members appointed to the EDIC including names, qualifications and terms of office.

An economic development plan is a detailed plan showing one or more economic development projects within an economic development area. No economic development project can be undertaken by an EDIC without an approved economic development plan.

Who is eligible

Most EDICs are established by one city or town. However, Section 3 of Chapter 121C authorizes the formation of a consolidated EDIC by two or more municipalities. DHCD strongly encourages such consolidations, especially by communities within the same labor market.

An economic development plan must be approved by a two-thirds vote of the city council with approval by the mayor or manager in a city; or a two-thirds vote at an annual or special town meeting in a town.

Following approval of the economic development plan, the EDIC shall have all the powers and duties authorized under Chapter 121C to undertake and carry out the economic development projects covered by the plan.

For more information

Please contact DHCD’s Division of Municipal Development at (617) 727-7001, ext. 458. The staff is also available by appointment to provide assistance with applications.